



USAID
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WEST BANK/GAZA

FACT SHEET

PRIVATE ENTERPRISE PROGRAM

PROJECT PROFILE

Palestinian Integrated Trade Arrangement (PITA)

JUNE 2010



Mobile scanners for the West Bank and Gaza commercial crossings

CHALLENGES

- Lack of coordination, policy analysis, and dialog to improve operations and capacity at crossing points between Israel and the West Bank and Gaza.
- No “trusted trader” or “known trader” program in the West Bank that allows door-to-door delivery for program participants.
- Inadequate infrastructure at crossing points that permit higher volumes of traffic while guaranteeing Israeli security.

Project Overview

Trade and movement restrictions are among the most critical constraints to Palestinian competitiveness, international investment, and overall economic development. Understanding the legitimate security concerns of the Government of Israel, the Palestinian Integrated Trade Arrangement (PITA) provides both technical assistance and security technology to address supply-chain management and movement issues through critical trade corridors of the West Bank.

Goals

- Improve the flow of goods between Israel and the West Bank and Gaza, while addressing Israeli security concerns.
- Facilitate dialogue between the Government of Israel, the Palestinian Authority (PA), and the private sector on policies, systems, standards, and procedures for trade.
- Ease trade obstacles for Palestinian companies, thereby increasing trade and ensuring more sustainable economic growth.
- Identify areas of potential agreement and cooperation among the relevant parties and pursue projects that benefit trade and cargo flows.

Activities

PITA was initially established to provide critical technical support and training to Palestinian private sector representatives and the PA in policy analysis, information dissemination, customs-reform, and institution-building to improve movement and trade for West Bank companies. *(Note: as of June 2008, this component is being supported through the Trade Facilitation Project.)*

PITA led a complex, security-sensitive procurement to lease and later purchase cargo X-ray scanners to support the basic tenets of the 2005 Agreement on Movement and Access. Scanning of cargo is quicker and less intrusive than manual inspection and has permitted increases in capacity at the crossings while improving security for Israel. Use of scanners has also resulted in less damage to transported goods, particularly agricultural exports.

More recently, PITA has focused impact research on key West Bank and Gaza crossings. One of the areas of focus was the northern West Bank and the Jalameh crossing. As a result of significant discussion and infrastructure upgrades financed by PITA, Jalameh was opened and has already stimulated the economy in the northern West Bank.



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Arab-Israeli vehicles entering Jenin through the PITA-financed Jalameh vehicle crossing

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PITA also understands the need for relevant risk management procedures for Palestinian firms. PITA advanced the “Known-Trader” risk management program for West Bank and Gaza as a means to improve security while reducing time and costs for shippers. Conversations about the scope and breadth of this potential program continue.

Finally, PITA supports training for both Israeli and Palestinian entities in relation to border operations and trade. PITA supported a visit by an Israeli delegation to the U.S Customs and Border Protection headquarters and the border facilities with Canada and Mexico. The delegation observed state-of-the-art risk management procedures for cargo and people movement. The delegation is assessing the applicability of U.S. procedures to the Israeli crossings with the West Bank. PITA also supports joint Palestinian-Israeli customs trainings to educate both groups on standard operating procedures and international best practices.

Successes

- Procured five mobile cargo scanners under competitive tender and supported infrastructure upgrades to permit the installation of the scanners at various crossing points to Israel.
- PITA-funded scanners safely transited more than 80,000 export trucks at three West Bank crossings (Tarqumia, Jalameh, and Sha’ar Ephraim/Tulkarem) in 2009.
- Reopened the Jalameh crossing in October 2009 as a result of PITA-funded upgrades. Arab-Israelis can now drive from Israel through the crossing into Jenin. Surveys of shoppers and businesses found that the crossing will create more than \$25 million in additional sales in Jenin and the northern West Bank in the first year alone.
- Selected 13 Palestinian companies to participate in a pilot “Known Trader” program. PITA completed marketing materials which summarized existing security safeguards at each company.
- Sponsored four in-depth technical trainings by the Israeli Customs Department for the PA Customs Department which led to increases in PA revenue generation by an estimated \$50 million in 2009.

Project Detail

Implementing Partner: Chemonics International; Life of Project: 09/25/2005-09/28/2012;
Total Estimated Cost: \$55,990,604.